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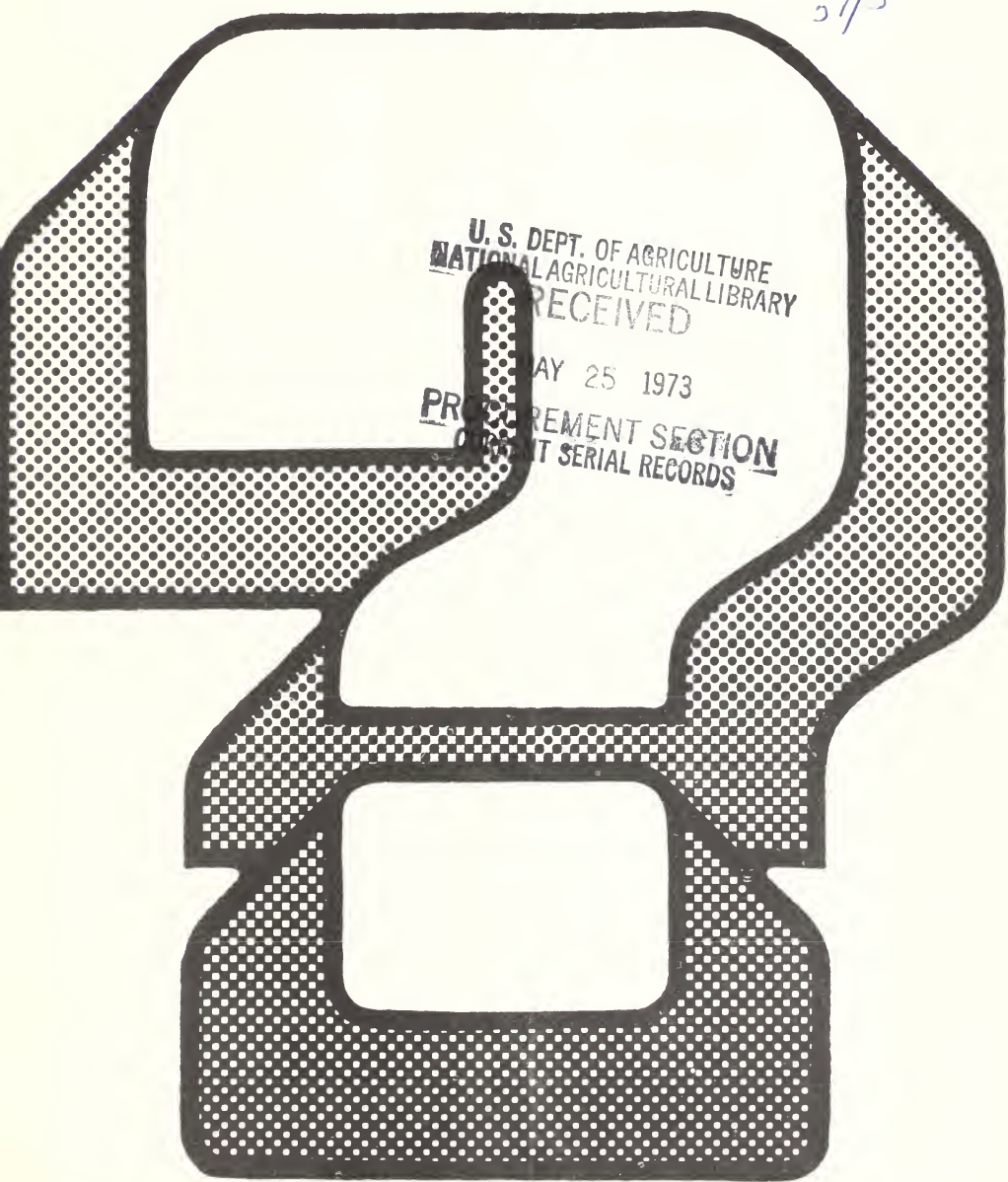
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agricultural situation

THE CROP REPORTERS MAGAZINE
U.S. DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE • JUNE 1973

57/5



**THE BIG QUESTION: Where will
farm exports go from here?**

THE BIG QUESTION: Where will farm exports go from here?



One of the major changes in the agricultural world is the dramatic climb in U.S. farm exports—from \$5.7 billion in 1969 to over \$11 billion in the fiscal year ending this June 30. That \$11 billion is roughly equal to the total value of all our exports of industrial machinery last year—and it's more than four times the total exports of all U.S. consumer goods.

The big question now, of course, is where are U.S. farm exports likely to go from here?

Recently Quentin M. West, Administrator of USDA's Economic Research Service, and Joseph W. Willett, Director of that agency's Foreign Demand and Competition Division, outlined ERS' projections of our agricultural trade by 1985.

Dr. Willett noted that the ERS projections are based largely on the analysis of past trends. They assume no significant change in government policies and continuing rapid growth of the world's economy. They also assume normal weather conditions, and thus have discounted years such as 1972, which brought poor weather to a number of countries, or some of the exceptionally good weather years of the past.

The economists pointed out that

although their trend line provides a fair description of the growth of our total farm exports for 20 years, in fiscal 1973 our exports will be far above the trend and it's impossible to judge whether or not the trend is a good indicator of the level of exports some years ahead.

In addition, while the value projections take into account some inflation in commodity prices, with the rapid changes that have occurred in the last year or so there is some uncertainty as to the rate.

\$14 to \$15 Billion by 1985.

The total value of our farm exports could rise to \$14 or \$15 billion by 1985—the \$1 billion difference depending on whether we achieve a relatively "high" level of feed grain exports or a relatively "low" level.

The high level assumes substantial net imports of feed grains by the Soviet Union and Eastern Europe and a more rapid expansion of livestock and poultry production in the developing countries, and therefore greater need for imports of feed.

Our Feed Grain Sales Could Double.

Under the two projections of U.S. feed grain exports, we could be selling anywhere from 26.6 million metric tons to 40.1 million of feed grains abroad by 1985. Compared



with the 20.0 million-ton average during the base years for the ERS projections (fiscal years 1970 through 1972), that represents a gain of between a third and 100 percent.

However, the economists are also looking for some price increases for grains over the next decade, so the value of our feed grain shipments might rise even faster than the quantity—perhaps as much as half to 136 percent. That would put the total value somewhere between \$1.6 and \$2.6 billion.

Sharp Gains Also Seen for Soybeans.

The growth in world demand for animal products, especially meat, will also continue to boost the need for high protein feeds. ERS analyses indicate fishmeal supplies won't grow fast enough to match demand—thus, there's considerable room for expansion of our soybean meal exports.

In actuality, the relative price ratios and trade regulations will determine whether the protein is shipped in the form of beans or meal, but recent rapid increases in crushing capacity in major importing regions make it logical to assume most of the growth in

exports will be in the form of beans.

The ERS projections put the quantity of our 1985 soybean exports at 25.9 million metric tons, more than double base period levels. But because the economists anticipate a sharp increase in prices (although lower prices than at present), the value of 1985 exports will be close to \$3.9 billion—three times higher than the base period. The experts are also looking for our oilcake and meal exports to rise about two-fifths to 5.5 million metric tons and our vegetable oil sales to go up one-fifth to 1.2 million tons.

Food Grain Rises Will Be More Moderate.

Under normal weather conditions the world's capacity for production of cereals will increase faster than consumption, and thus there's likely to be a rebuilding of wheat stocks by 1985, or downward pressure on some prices, or programs to restrict output in the major grain exporting countries, or some combination of these.

In other words, the ERS economists expect consumption and trade of wheat and rice to grow less rapidly than that of coarse grains—perhaps only about a fourth and two-fifths, respectively.

Nevertheless, price rises are foreseen for both crops so the 22.0 million metric tons of wheat we're projected to be exporting in 1985 will be worth nearly \$1.6 billion—or about half again as much as in the base period. Likewise, our 2.3 million-ton rice shipments will be valued at over half a billion dollars, or about two-fifths more than in fiscal 1970-72.

Livestock and Meat Values To Rise By Half or More

World meat demand, which is projected to continue strong, will remain concentrated in North America and Western Europe. These regions produce most of their own meat but with Japan they will remain the markets toward which meat in international trade will tend to flow.

ERS expects the bulk of supplies for long-distance international trade in meat to continue to be gene-

rated by Oceania and Argentina. Still the value of our exports of livestock and meat products is projected to swell to \$1.1 billion by 1985, nearly 50 percent over the base period.

As for dairy products, the economists see ample supplies and relatively low world prices through 1985. However, there will probably be significant changes in trade patterns.

The enlargement of the European Community will close off the United Kingdom as a market for Australia and New Zealand. Due to the loss of the U.K. market and the surge in world demand for beef, Australia will probably shift some resources from dairy to beef production and by 1985 may cease to be a major dairy product exporter. New Zealand's dairy output could increase slightly due to yield increases but cow numbers are expected to decline. By 1985 Japan and non-EC Western

OUR FARM EXPORTS WILL KEEP ON CLIMBING

Commodity	Quantity		Value				
	1970-72 aver- age ¹	Pro- jected 1985	1970-72 aver- age ¹	Projected 1985—		Projected change 1970-85	
				At 1970 prices	At 1985 prices	At 1970 prices	At 1985 prices
	<i>Million metric tons</i>			<i>Million dollars</i>		<i>Percent</i>	
Wheat	17.5	22.0	1,064	1,338	1,584	26	49
Feed grains	20.0		1,094				
Low		26.6		1,457	1,609	33	47
High		40.1		2,195	2,586	101	136
Rice	1.7	2.3	305	430	517	41	70
Soybeans	11.4	25.9	1,245	2,818	3,949	126	217
Oilcake and meal	3.9	5.5	338	481	798	42	136
Vegetable oils	1.0	1.2	295	350	356	19	21
Cotton, excluding linters	.7	.9	456	571	635	25	39
Livestock and meat	—	—	674	1,005	1,100	49	63
Other	—	—	2,039	3,020	3,300	48	62
Total	—		7,510				
Low		—		11,469	13,848	53	84
High		—		12,208	14,825	63	97

¹ Fiscal years.

Europe will be the major importers of dairy items.

Other Commodities Also Up.

Our exports of other farm products are also projected to rise moderately, with cotton sales (excluding linters) totaling about 900 million tons in 1985, 25 percent more than in 1970-72. The value of cotton shipments could rise as much as 39 percent in light of price increases, reaching \$635 million.

The remainder of our farm trade will probably reach a value of \$3.3 billion, about 62 percent above the base period.

A number of developments have brought unusually large elements of uncertainty into longer run forecasts of our farm trade. These developments include:

- New trade relations with the Soviet Union and the People's Republic of China.

- The expansion of the European Community to include the United Kingdom, Ireland, and Denmark.

- The realignment of currencies resulting from the Smithsonian Agreement in December 1971 and the additional realignments currently underway.

- The "Green Revolution" underlying the growth of grains and other crops in a number of less developed countries.

- Growing wealth and the possibility of decisions by some petroleum-producing countries of Latin America and West Asia to produce or import more animal products.

- Coming international negotiations, with the possibility of substantial progress in reducing barriers to agricultural trade.

- Unprecedented rates of economic growth in a number of countries, with the possibility of new patterns of food consumption.

Each of these developments could have substantial impact on our agricultural exports in the next decade.

THE BIGGEST SURVEY OF ALL

Right now 70,000 U.S. farmers are among the most important persons in the Nation. These 70,000 are the men and women who, by participating in the SRS June Acreage, Livestock, and Labor Study, will provide the first hard facts about actual crop plantings in 1973 and livestock and poultry numbers during the rest of the year.

A survey of farmers' planting intentions, taken by SRS in March, indicated that farmers planned on seeding 214 million acres to crops, 15 million more than last year. However, a further reduction in set-aside requirements for the 1973 Feed Grain Program was announced after SRS' Prospective Plantings Survey was made. So it waits for the June survey to reveal what's actually being planted.

The June Survey is always USDA's biggest data gathering effort of the year, employing roughly 1,400 enumerators working out of 42 field offices and contacting farm operators in 16,500 land segments.

The farmers who are contacted in the survey are chosen with precise sampling procedures to represent an accurate cross section of the Nation's agriculture. The information they provide will be expanded by SRS into reliable estimates for the individual States and the Nation.

While the emphasis of the June survey is on establishing planted crop acreages which will be carried in the July 10 Crop Production report, there are several questions to be answered about farm labor use, and number of cattle, calves, hogs, pigs, and chickens.

These livestock and poultry data permit SRS to set midyear inventories and provide data users with the information needed to estimate potential supplies during the second half of 1973 and early 1974.

Milk changed before it leaves the cow so that it contains more polyunsaturated fat is a distinct possibility in the not-too-distant future.

There are still major problems to overcome. But there are good prospects, USDA researchers say, that the proportion of unsaturated to saturated fats can be raised to recommended levels at only a marginal increase in costs.

Following the lead of Australian researchers, chemists and dairy husbandrymen from USDA's Agricultural Research Service (ARS) corroborated reports that cows on unsaturated fat diets will produce milk with more polyunsaturated fatty acids.

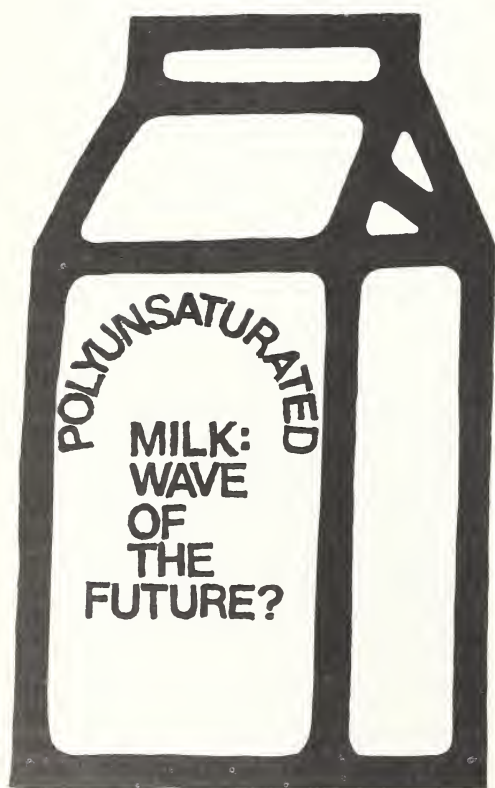
Milk fat normally contains about 3 percent polyunsaturated fat. After the ARS experiment, the figure was increased to between 30 and 35 percent, or about the medically recommended level.

The scientists coated safflower oil, which contains a high percentage of unsaturated fatty acid, and made it into a feed supplement. The supplement was then made part of the diet of two Holstein cows serving as test animals. One was fed the coated oil at a rate of 1,500 grams per day, and the other, an uncoated oil at the same rate. The treatments were alternated at 10-day intervals for 40 days.

The coating (casein treated with formaldehyde) protected the protein and oil in the feed from bacterial fermentation in the animal's rumen, so that the polyunsaturated oils in the supplement were delivered intact to the animal's digestive system.

Normally, bacteria in the rumen saturate most of these fats before they enter the animal's body tissues.

The milk from these animals was fed to veal calves. Biopsies showed their bodies to contain four times as much polyunsaturated fat as when regular milk was fed, indicating that meat can also be produced whose



polyunsaturated fat content is high.

The next step, say ARS researchers, is to eliminate problems of taste and cost. Because unsaturated fats are more susceptible to oxidation than saturated ones, milk produced this way develops an off-flavor very quickly. One ARS scientist described it as "tasting like cardboard." Adding anti-oxidants to the milk is one possible solution.

Oils that are less expensive than safflower, but also high in polyunsaturated acids, will likewise have to be found. Work is now in progress using soybean oil.

A laboratory aide filters blood plasma extracted from calves fed milk high in polyunsaturated fat. Subsequent analysis shows it's possible to produce meat with a higher polyunsaturated fat content.



It is a radical idea that the composition of natural foods can be altered to fit the nutritional needs of man. Dr. Michael Pallansch, head of the Dairy Products Laboratory at ARS, suggests that it may even be possible over the years to breed a race of cows with milk and meat high in polyunsaturated fats.

Dr. Pallansch stresses that milk in its present form is not dangerous. But if and when consumers decide they would like it—or should like it—with more unsaturated fat, research is now paving the way to provide it for them.

A USDA research animal scientist carefully checks his scale as he weighs the coated safflower oil before mixing it with the animals' feed grains as part of the initial experiment.





SPOTLIGHT ON OKLAHOMA

"Buffalo roamed Oklahoma's excellent pasture for centuries but the last wild herd was seen here in 1887. Cattle have taken their place," says Don D. Pittman, statistician in charge of the Sooner State's Crop and Livestock Reporting Service at Oklahoma City.

"Cattle and calves bring Oklahoma farmers and ranchers around two-thirds of their cash receipts," Pittman remarks, "and pasture and grazing land cover 20.5 out of the State's 45 million acres."

Also, 73,000 of Oklahoma's 87,000 farms and ranches have cattle on them, and the 5.7 million cattle counted on January 1, 1973 is topped only by Texas in number of beef cows that have calved.

Formerly, most of the cattle roamed the ranges till they were old enough to be shipped out of State for fattening. However, cattle feeding is on the increase in the Panhandle. At the beginning of the year 272,000 were on feed in the State. Increasing numbers of feeder cattle are being shipped from the Southeastern States first for grazing on wheat pastures, after which they're moved to Oklahoma feedlots.

Completing the round up, Oklahoma has 134,000 dairy cows. Dairying earns about 7 percent of the State's farm cash receipts.

Livestock and poultry usually bring farmers and ranchers \$3 out of every \$4 in cash receipts (\$1.0 billion in 1972).

"Now, before we get to crops I might mention that Oklahoma is not as dry as out-of-Staters might think. True, we've had a drought in the past few years, and the dust storms of the 1930's are well remembered. However, the State has 100 natural lakes and about 200 manmade ones, ranging from 100 to over 100,000 acres," says Pittman.

"There is also a giant underground lake in our Panhandle region," he continues. "Irrigation, especially for feed grains, is now practiced."

Rainfall varies from 60 inches in



Turner Falls (top), one of Oklahoma's water wonders, is located near the town of Gene Autry. (Bottom) Parts of the State were settled by land rush. Those who jumped the official gun were nicknamed Sooners, because they staked their claims sooner than the rest.



the eastern section of the State to a scant 18 inches in the far western end of the Panhandle, but once rain falls in Oklahoma, Oklahomans aim to keep it there. They've already completed 24 reservoirs and plan another 24.

"Oklahoma City is a fine place to locate the Crop Reporting Service," continues Pittman. "It's right at the communications center of the State for one thing, and it's where the wheat and cotton belts meet.

The wheat belt stretches south out of Kansas through the center of Oklahoma. Last year five counties in this area produced from 4 to 7 million bushels of wheat.

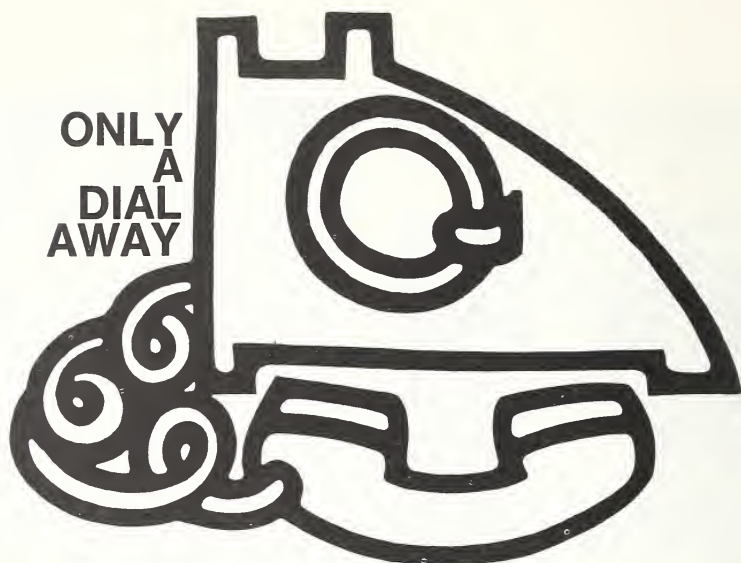
In 1972 Oklahoma farmers harvested 3.9 million acres of winter wheat, nearly half of total cropland harvested. The 1972 production totaled almost 90 million bushels, earning Oklahoma the Nation's No. 4 winter wheat spot.

The cotton belt extends through the southern and western counties to about the center of the State. Farmers harvested just over half a million acres of upland cotton last year. Yields averaged 301 pounds per acre for a production of 320,000 bales of lint cotton and 134,000 tons of cottonseed.

"While Oklahoma acres added 3.6 million bushels of soybeans to the Nation's stocks and took the No. 6 peanut spot with 244 million pounds, feed crops are really the important thing in a cattle State."

Oklahomans harvested over 1.6 million acres of hay last year, producing 2.9 million tons. On the same order, they harvested 50,000 acres of sorghum silage for half-a-million tons.

"Most of the sorghum for grain grows in the three Panhandle counties under irrigation. This area, 'No Man's Land' or the outlaw territory 'south of Dodge' in western movies and novels, produced more than half of the State's 27.1 million bushels of sorghum grain last year."



Market news is just a dial away for many buyers and sellers of farm products. Information is often available 24 hours a day. Below are numbers of automatic telephone answering devices and when they're in operation. Unless otherwise stated numbers are in operation year-round. Numbers in parentheses refer to telephone area codes.

ALABAMA

Foley (South Alabama): Potatoes—May and June (205) 943-5016

Montgomery: Livestock and meat (205) 263-6232

Raineville (Northeast Alabama): Potatoes—June and July (205) 638-4302

ARIZONA

Nogales: Fruits and vegetables—December through June (602) 287-5022

Phoenix: Lettuce, melons, grapes, other vegetables (602) 279-4134, 4135, and 4136. Livestock and meat (602) 275-7972.

Yuma: Lettuce—November through June (602) 782-9597. Melons—June and July (602) 782-9597.

ARKANSAS

Ft. Smith: Livestock and meat (918) 875-3892.

CALIFORNIA

Bakersfield: Potatoes, grapes, melons—May through July (805) 323-0727.

Bell: Livestock and meat (213) 268-8020.

Coachella: Grapes—May (714) 398-5993.

El Centro: Lettuce, melons, other vegetables—Mid-November through June (714) 352-5130 and 5131. Livestock and meat (714) 352-8160

Fresno: Cotton—October through December (209) 486-0511. Grapes and deciduous fruit (209) 233-0341. Melons—July through September (209) 268-6983.

Los Angeles: Fruit (213) 622-3922. Hay and grain (213) 622-7822. Poultry and eggs (213) 622-0784. Vegetables (213) 622-3973.

Sacramento: Fruits—May through October (916) 442-5883.

Salinas: Lettuce, other vegetables (408) 449-7221 and 7222.

Santa Maria: Vegetables—April through November (805) 925-0091.

Stockton: Livestock and meat (209) 466-3085.

Visalia: Livestock and meat (209) 733-3750.

COLORADO

Brush: Livestock and meat (303) 842-2249.

Greeley: Livestock and meat (303) 353-5170.
 Monte Vista: Potatoes—September through May (303) 852-2568.
 Sterling: Livestock and meat (303) 522-4772.

DELAWARE
 Dover: Potatoes—July to October (302) 697-2345.

FLORIDA
 Belle Glade: Vegetables—November through May (305) 996-5566.
 Florida City: Avocados, mangos, limes—July through September (305) 248-7611.
 Hastings: Cabbage—January through May (904) 692-2211.
 Pompano Beach: Vegetables—October through May (305) 522-4343.

GEORGIA
 Albany: Pecans—Mid-October to mid-December (Number assigned during season.)
 Atlanta: Eggs (404) 526-3075. Ready-to-cook broilers (404) 526-3073.
 Macon: Livestock and meat (912) 743-1903.
 Thomasville: Livestock and meat (912) 226-9511.

HAWAII
 Honolulu: Fruits, vegetables, and ornamental crops (808) 949-8801.

IDAHO
 Idaho Falls: Potatoes, onions—September to June (208) 522-3979.
 Pocatello: Livestock and meat (208) 232-7500.

ILLINOIS
 Chicago: Eggs and butter (312) 922-2030. Livestock and meat (312) 922-1253.
 Poultry and turkeys (312) 922-2997.
 Joliet: Livestock and meat (815) 423-5026.
 National Stock Yards: Livestock and meat (618) 874-1900.
 Peoria: Livestock and meat (309) 676-8811.
 Princeton: Livestock and meat, corn, soybeans, oats, and wheat (815) 875-3274.
 Springfield: Corn, wheat, soybeans, oats for Illinois and Chicago futures (217) 525-2055. Livestock and meat (217) 525-4019.

INDIANA
 Indianapolis: Livestock and meat (800) 382-1567.

IOWA
 Ames: Livestock and meat (515) 294-6899 and 4347.
 Durant: Livestock and meat (319) 785-6032.

KANSAS
 Dodge City: Livestock and meat (316) 225-1311.
 Wichita: Livestock and meat (316) 267-7992.

KENTUCKY
 Frankfort: Livestock and meat (502) 564-4958.

MICHIGAN
 Bay City: Potatoes—August through March (517) 892-3161.
 Benton Harbor: Berries, fruits, vegetables in season—May through March (616) 925-1096.
 Lansing: Livestock and meat (517) 373-6330.

MINNESOTA
 St. Paul: Turkeys (612) 725-7078.
 South St. Paul: Livestock and meat (612) 451-3692.

MISSOURI
 Mexico: Livestock and meat (314) 581-6250 (not available 8:30 to 9:15 a.m.).
 South St. Joseph: Livestock and meat (816) 238-1203.
 St. Louis: Poultry and eggs (314) 621-8447.

NEBRASKA

(All livestock and meat.)

Aurora (402) 694-3183.
Beatrice (402) 223-5231.
Columbus (402) 564-2778.
David City (402) 367-4221.
Exeter (402) 266-5461.
Fremont (402) 721-4100.

Grand Island (308) 384-5101.
Holdridge (308) 995-4497.
Kearney (308) 237-5908.
Omaha (402) 731-4481 and 5355.
Tekamah (402) 374-1667.
York (402) 362-6623.

NEW JERSEY

Bridgeton: Fruits and vegetables (609) 455-2511.
Hightstown: Fruits and vegetables—May through December (609) 448-1482.
Newark: Eggs and butter (201) 645-3369. Poultry and turkeys (201) 621-6619.

NEW MEXICO

Clovis: Livestock and meat (505) 763-3030.
Las Cruces: Lettuce—October, May and June. Onions—May and June (505) 646-4828.

NEW YORK

Riverhead: Potatoes, cauliflower—August through March (516) 727-6884.

NORTH DAKOTA

Grand Forks: Potatoes— September through April (701) 772-9660.
West Fargo: Livestock and meat (701) 237-3426.

OHIO

Bucyrus: Livestock and meat (419) 562-5489.
Chillicothe: Livestock and meat (614) 772-1431.
Cincinnati: Fruits and vegetables (513) 621-2542.
London: Livestock and meat (614) 852-2311.
Marysville: Livestock and meat (513) 642-5301.
Washington C.H.: Livestock and meat (614) 335-5100.

OKLAHOMA

Oklahoma City: Livestock and meat (405) 236-4114.
Tulsa: Livestock and meat (918) 245-7134.

OREGON

Merrill: Potatoes—October through April (503) 798-5706.
Portland: Eggs (503) 226-3909.

SOUTH CAROLINA

Columbia: Livestock and meat (803) 779-7980.

TENNESSEE

(All phones report on livestock and meat.)

Knoxville (615) 525-3211.
Memphis (901) 774-6460.
Nashville (615) 256-0596.

TEXAS

Amarillo: Livestock and meat (806) 372-3494.
Austin: Pecans—Mid-October through February. Poultry and eggs—Year-round. (512) 475-3845.
Hereford: Vegetables and melons—July through October (806) 363-0129.
San Antonio: Livestock and meat (512) 223-4100.
Weslaco: Vegetables and melons—October through June (512) 686-3351.

WASHINGTON

Sunnyside: Livestock and meat (509) 837-2412.

WYOMING

Cheyenne: Livestock and meat (307) 777-7628.

VIRGINIA

Onley: Potatoes—June through Mid-August (703) 787-3500.

ag Outlook

DIGESTED FROM OUTLOOK REPORTS OF THE ECONOMIC RESEARCH SERVICE
FORECASTS BASED ON INFORMATION AVAILABLE THROUGH APRIL 1, 1973

ON THE FEED FRONT . . . Record feed grain supplies . . . totaling 248 million tons . . . will probably be matched by record use . . . slated to hit 214 million tons during the 1972/73 feed year. The gain in disappearance, up about a tenth from last year, would cut carryover stocks this fall to 35 million bushels.

●
FEED GRAIN EXPORTS will probably reach a new high of 33 million tons, 6 million over the year before. Most of the gain will come in corn . . . with outshipments expected to break the billion-bushel mark.

●
AT HOME an anticipated 1-2% gain in grain consuming animal units . . . plus generally favorable hog and beef/feed price ratios . . . are setting the stage for a sizable 9% rise in domestic use during 1972/73. Reduced availabilities of protein feed, hay shortages, fields too wet to forage or glean, high moisture content of corn, and exceptionally strong demand are factors contributing to heavy consumption.

●
PRICE PARTICULARS . . . Predicting price patterns is especially "iffy" this feed year . . . especially when the first half saw a larger-than-normal seasonal price runup. However, now that harvesting and drying operations are completed and the strain on the marketing system strives to straighten itself out, feed grain prices . . . currently high . . . could ease downward. They'll still stay well above 1971/72, though.

●
RICE PRICES . . . Extra strong world demand has pulled U.S. farm prices to record highs since harvest of the 1972 rice crop began last July. The 1972/73 season average farm price is expected to average more than a fourth over last year's \$5.34 level.

●
SMALL CARRYOVER . . . The flow of demand will reduce rice stocks to pipeline levels before new crop supplies start coming in. Carryover may be cut to 7½, possibly 8, million cwt., well under last year.

RICE SUPPLY BOOST SEEN IN 1973/74 . . . In anticipation of continued strong demand, both domestic and foreign, USDA announced a 10% increase in the acreage allotment for the 1973 rice crop. With average yields, this year's crop could total around 95 million cwt. Added to the expected small carryover, 1973/74 supplies might come to somewhat over 100 million cwt., up moderately from 1972/73.

CATTLE INVENTORY IMPLICATIONS . . . The buildup in the cattle inventory is accelerating and could lead to a bulge in beef production and price declines sometime during the mid-1970's. The 1972 gain of 4 million head was the largest in a decade and followed a 3-million-head increase in 1971 and gains of over 2 million head in 1969 and 1970.

BEEF COW NUMBERS at the start of 1973 had risen to 41.1 million head, up 6% from a year earlier. The larger cow herd provides the potential for larger supplies of beef. This year's calf crop may be up more than 4% from last year and will permit a step-up in fed cattle marketings in 1974 and 1975.

WITHIN THE NEXT FEW YEARS growth in the inventory will be sizable enough to precipitate rather steep year-to-year increases in slaughter. Large beef production will be accompanied by weaker cattle prices. However, consumer demand for meat will continue strong and shore up cattle prices through the 1970's.

WOOL NOTES . . . Farm prices have staged a major comeback from the depressed 1971 levels. The 1973 average should be substantially over the 35-cents-a-pound level of last year and will tower over the 19 cents of 1971. Recent sales for spring and summer delivery are especially bullish . . . reflecting strong foreign markets and devaluation of the U.S. dollar.

SHEEP SLIP . . . Higher 1972 market prices for both wool and lamb hiked the farm value of January's sheep and lamb inventory by 11% over a year earlier. However, costs and other production pressures mounted, too . . . causing a further 6% cut in the number on farms. This means another drop in the lamb and wool crops . . . and reduced marketings.

LAMB PRICES rose sharply during the winter with Choice slaughter lamb selling for \$43.50 (San Angelo market) in late February. This was nearly \$15 more than a year earlier and the highest on record. Spring lambs brought \$45 in early March but prices aren't expected to rise much further, in contrast to last year. 1973 should see the resumption of the more typical pattern where prices move down from early spring quotations to summer-fall lows.

Statistical Barometer

Item	1971	1972	1973—latest available data	
Prices:				
All prices received by farmers (1967=100)	112	126	159	March
Crops (1967=100)	107	116	140	March
Food grains (1967=100)	94	108	142	March
Feed grains and hay (1967=100)	106	105	125	March
Feed grains (1967=100)	106	101	120	March
Cotton (1967=100)	109	128	116	March
Tobacco (1967=100)	113	123	127	March
Oil-bearing crops (1967=100)	108	116	188	March
Fruit (1967=100)	109	115	136	March
Fresh market ¹ (1967=100)	113	123	136	March
Commercial vegetables (1967=100)	114	116	145	March
Fresh market (1967=100)	128	131	177	March
Potatoes, sweetpotatoes, and dry edible beans (1967=100)	109	122	172	March
Livestock and products (1967=100)	116	133	174	March
Meat animals (1967=100)	120	146	199	March
Dairy products (1967=100)	116	119	127	March
Poultry and eggs (1967=100)	101	103	155	March
Wool (1967=100)	52	93	245	March
All prices paid by farmers (1967=100)	120	127	138	March
Ratio ² (1967=100)	94	99	115	March
Consumer price index, all items (1967=100)	121	125	129	February
Food (1967=100)	118	124	131	February
Farm Income:				
Realized gross farm income (\$bil.)	60.1	66.4	—	—
Production expenses (\$ bil.)	44.0	47.2	—	—
Realized net farm income (\$bil.)	16.1	19.2	—	—
Income and Spending:				
Disposable personal income, total (\$bil.)	744.4	795.1	—	—
Expenditures for food (\$bil.)	117.3	124.6	—	—
Share of income spent for food (percent)	15.8	15.7	—	—
Farm Food Market Basket:³				
Retail cost (1967=100)	116	121	127	January
Farm value (1967=100)	114	124	140	January
Farmers' share of retail cost (percent)	38	40	43	January
Agricultural Trade:				
Agricultural exports (\$bil.)	7.7	9.4	2.2	Jan.-Feb.
Agricultural imports (\$bil.)	5.8	6.5	1.2	Jan.-Feb.

¹Fresh market for noncitrus and fresh market and processing for citrus.

²Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wage rates.

³Average quantities per family and single person households bought by wage and clerical workers, 1960-61, based on Bureau of Labor Statistics figures.

AGRICULTURAL SITUATION

JUNE 1973 • VOL. 57 NO. 5
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The Agricultural Situation, published 11 times a year by USDA's Statistical Reporting Service, is distributed free to crop and livestock reporters in connection with their work. Contents of the magazine may be reprinted without permission. Use of funds for printing this publication were approved by the Office of Management and Budget, January 2, 1969. Subscription price \$2 a year (\$2.50 foreign). Single copies 25 cents. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

U.S. DEPARTMENT OF AGRICULTURE

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